THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on: 27.07.2007

\+ WP(C) No.10721/2005

M/S SUNRIDER CORPORATION, U.S.A. ...Petitioner

- versus -

M/S HINDUSTAN LEVER LIMITED
AND ANOTHER ...Respondents

Advocates who appeared in this case:

For the Petitioner	:	Mr S.S. Rana
For the Respondent No.1	:	Mr N. Mahabir with Ms Sheetal Vohra
For the Respondent No.2	:	Mr Gaurav Duggal

CORAM:-

HON'BLE MR JUSTICE BADAR DURREZ AHMED

1. Whether Reporters of local papers may be allowed to see the judgment ? YES

2. To be referred to the Reporter or not ? YES

3. Whether the judgment should be reported in Digest ? YES

BADAR DURREZ AHMED, J

1. In this petition, the following two questions arise for consideration:-

1) Whether the Registrar of Trade Marks has the power to extend the time for filing of the evidence affidavit in support of an opposition beyond the maximum period of three

months prescribed under rule 50 (1) of the Trade Marks Rules, 2002 ?

2) Whether the non-filing of the evidence affidavit within the prescribed time, *ipso facto*, means that an opposition to a trade mark application would be deemed to have been abandoned in terms of the provisions of Rule 50 (2) of the Trade Marks Rules, 2002 ?

2. These questions arise in respect of an application for registration of the trade mark "SUNERGY" in Class-3 filed on behalf of the petitioner and the opposition to the same filed on behalf of the respondent No.1. On 14.06.1995, the petitioner (Sunrider Corporation) filed an application for registration of its trade mark "SUNERGY" in Class-3. On 21.02.2001, the same was advertised in the Trade Marks Journal. The respondent No.1 (Hindustan Lever Limited) filed an opposition to the same in Form TM-5 on 24.05.2001. The petitioner filed its counter-statement in Form TM-6 on 14.10.2002. It has been contended on behalf of the petitioner that under Rule 50 (1) of the Trade Marks Rules, 2002, evidence by way of affidavit in support of the

respondent No.1's opposition ought to have been filed within two months which was extendable in the aggregate by a further one month. Accordingly, it is the petitioner's contention that the evidence affidavit ought to have been filed latest by 13.01.2003, i.e., three months after 14.10.2002. However, the evidence affidavit was not filed by the respondent No.1 by that date. In fact, it has not been filed at all. It was also contended on behalf of the petitioner that under the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as 'the 1958 Act') and the Trade and Merchandise Marks Rules, 1959 (hereinafter referred to as 'the 1959 Rules'), no maximum time limit had been prescribed, whereas under the Trade Marks Act, 1999 (hereinafter referred to as 'the 1999 Act') and the Trade Marks Rules, 2002 (hereinafter referred to as 'the 2002 Rules'), there is a prescribed maximum time limit beyond which the Registrar cannot extend the time for filing of the evidence affidavit. It is an admitted position that by virtue of Section 159 of the 1999 Act, all the proceedings pending on the date on which the Act came into force, i.e., 15.09.2003, would be dealt with under the 1999 Act and not under the 1958 Act. It was submitted on behalf of the respondent No.1 that the respondent No.1 was filing applications in Form TM-56 for extension of time and the last of such applications was filed on

10.02.2004. However, it was submitted on behalf of the petitioner that they had no knowledge of these purported applications and, in any event, no orders had been passed on the purported TM-56 applications allegedly filed by the respondent No.1.

3. On 20.02.2004, the Assistant Registrar passed an order invoking the provisions of Rule 50 (2) and held that since the evidence affidavit was not filed by the respondent No.1 within the prescribed time, the opposition was deemed to have been abandoned. Being aggrieved by this order, the respondent No.1 filed an appeal before the Intellectual Property Appellate Board. The appeal filed by the respondent No.1 was allowed by the Intellectual Property Appellate Board by a judgment and / or order dated 11.03.2005 and the order dated 22.03.2004 passed by the Assistant Registrar was set aside and the matter was remanded to the Registrar for giving an opportunity of hearing to the respondent No.1 as well as the petitioner and thereafter to pass the orders. The Intellectual Property Appellate Board passed the said order dated 11.03.2005 in view of its order passed in the case of ***Asian Paints Ltd v. Assistant Registrar and Another*** in ***OA/108/2004*** wherein the said Appellate Board was of the view that the Registrar was competent to grant extension of time for

filing the evidence affidavit in opposition even beyond the period indicated in Rule 50. While disposing of the appeal, the Intellectual Property Appellate Board observed as under:-

> "In conclusion, we have to say that the larger interest of the society demands that an opportunity be granted to the applicant to adduce his part of evidence, besides the opportunity which the Registrar could have granted to the opponent by exercising his discretionary power. In this case we find that the operative part of the order runs into seven lines. A quasi judicial authority should shun such a practice which is abhorrent to the principles of natural justice. All the relevant facts of the case should be brought out in the order and the reasons for arriving at the conclusion be discussed in the order."

4. Mr S.S. Rana, who appeared on behalf of the petitioner, contended, with regard to the first question, that the Registrar had no power to extend time for filing of the evidence affidavit in support of the opposition beyond the maximum period of three months prescribed under Rule 50 (1) of the 2002 Rules. For this purpose, he placed reliance on the provisions of Section 21 (4), 2 (1) (s), Section 157 (vii) of the 1999 Act and Rule 50 of the 2002 Rules. He also placed reliance on the following decisions:-

i) ***Chief Forest Conservator (Wild Life) and others v. Nisar Khan*: AIR 2003 SC 1867** ;

ii) ***Ramachandra Keshav Adke (Dead) by Lrs. v. Govind Joti Chavare and Others*: AIR 1975 SC 915** ;

iii) ***Delta Impex v. Commissioner of Customs: 110 (2004) DLT 209 (DB)*** ;

iv) ***Pranam Enterprises v. Commissioner of Sales Tax, New Delhi & Others*: 111 (2004)** ;

v) ***Union of India v. M/s Popular Construction Co., Respondent*: AIR 2001 SC 4010**.

5. On the other hand, Mr Mahabir, who appeared on behalf of the respondent No.1, submitted that Section 131 of the 1999 Act read with Rule 105 of the 2002 Rules empowered the Registrar to extend time. He also placed strong reliance on a decision of a Full Bench of this court in the case of ***Hastimal Jain Trading as Oswal Industries v. Registrar of Trade Marks and Another*: 2000 PTC 24 (FB)**.

6. Section 21 of the 1999 Act contains provisions in respect of the opposition to registration. Sub-section (4) of Section 21 reads as under:-

> "(4) Any evidence upon which the opponent and the applicant may rely shall be submitted **in the prescribed manner and within the prescribed time**

> to the Registrar, and the Registrar shall give an opportunity to them to be heard, if they so desire."
>
> (emphasis supplied)

The crucial expressions used in the aforesaid provision are "*in the prescribed manner*" and "*within the prescribed time*". It, therefore, becomes necessary to examine as to what is meant by the word "prescribed". Section 2 (1) (s) defines "prescribed" to mean prescribed by rules made under the Act. Section 157 of the 1999 Act relates to the powers of the Central Government to make rules. Sub-section (2) provides the specific matters for which rules may be made. Clause (vii) of sub-section (2) specifically refers to submission of evidence and the time therefor under sub-section (4) of Section 21. It is clear that the Central Government had power to make rules with regard to, *inter alia*, submission of evidence and the time therefor under sub-section (4) of Section 21. The 2002 Rules specifically provide for evidence in support of an opposition under Rule 50 thereof. The said rule reads as under:-

> "50. **50. Evidence in support of opposition.- (1)** Within two months from services on him of a copy of the counterstatement or within such further period not exceeding one month in the aggregate thereafter as the Registrar may on request allow, the opponent shall either leave with the Registrar, such evidence by way of affidavit as he may desire to adduce in support of his opposition or shall intimate to the Registrar and to the applicant in writing that he does not desire to adduce evidence in support of his

> opposition but intends to rely on the facts stated in the notice of opposition. He shall deliver to the applicant copies of any evidence that he leaves with the Registrar under this sub-rule and intimate the Registrar in writing of such delivery.
>
> (2) If an opponent takes no action under sub-rule (1) within the time mentioned therein, he shall be deemed to have abandoned his opposition.
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> (3) An application for the extension of the period of one month mentioned in sub-rule (1) shall be made in Form **TM-56** accompanied by the prescribed fee before the expiry of the period of two months mentioned therein."

7. Reading Rule 50, it is clear that the evidence by way of affidavit in support of an opposition to the registration of a trade mark has to be filed within two months of the service of a copy of the counter-statement on the opponent. This period of two months is further extendable by a period of one month in the aggregate thereafter as the Registrar may on request allow. Clearly, in the first instance, the evidence affidavit has to be filed within two months of the receipt of a copy of the counter-statement. The Registrar may extend this period by a further one month in the aggregate if a request for the same is made in time. Sub-rule (2) of Rule 50 makes it clear that if an opponent takes no action under sub-rule (1) within the time mentioned therein, he shall be deemed to have abandoned his opposition. It is also interesting to note

that sub-rule (3) refers to the application for extension of the period of one month mentioned in sub-rule (1). It is also stipulated that such an application has to be made in Form TM-56 accompanied by the prescribed fee before the expiry of the period of two months mentioned therein. So, it is clear that a strict regimen has been prescribed for the filing of evidence by way of affidavit in support of an opposition. A plain reading of the provisions makes it abundantly clear that the evidence has to be filed within two months in the first instance and, if an appropriate application for extension of time is made before the expiry of the period of two months and if such application is allowed by the Registrar, then latest by a further month. In other words, under no circumstances can the evidence affidavit be filed beyond the maximum three months prescribed under the said rule. In case the opponent has not taken steps within the prescribed time, then there is no option left with the Registrar but to deem that the opponent has abandoned his opposition.

8. In ***Chief Forest Conservator*** *(supra)*, the Supreme Court held:-

> "It is now well-settled that when rules are validly framed, they should be treated as a part of the Act."

There is no doubt that Rule 50 of the 2002 Rules has been validly framed in exercise of the Central Government's rule making powers under Section 157 (1) in general and Section 157 (2) (vii) in particular. In this background, it can be safely stated that the time and manner prescribed in Rule 50 of the 2002 Rules should be treated as having been prescribed by the 1999 Act itself.

9. The decisions referred to in the cases of ***Delta Impex*** *(supra)*, ***Pranam Enterprises*** *(supra)* and ***Popular Construction*** *(supra)* all clearly indicate that where the statute itself prescribes a maximum condonable period, then it would not be open to the authorities under that statute to extend the period for doing an act beyond the prescribed maximum condonable period. It is, therefore, clear that the Registrar does not have any power to extend the time for filing the evidence affidavit beyond the maximum period of one month after the initial period of two months.

10. Coming now to the contrary argument advanced by the learned counsel for the respondent No.1 that the provisions of Section 131 of the 1999 Act read with Rule 105 of the 2002 Rules permit

extension of time and, therefore, Rule 50 would have to be read down in that context. Section 131 reads as under:-

> "**131. Extension of time.—**(1) If the Registrar is satisfied, on application made to him in the prescribed manner and accompanied by the prescribed fee, that there is sufficient cause for extending the time for doing any act (not being a time expressly provided in this Act), whether the time so specified has expired or not, he may, subject to such conditions as he may think fit to impose, extend the time and inform the parties accordingly.
>
> (2) Nothing in sub-section (1) shall be deemed to require the Registrar to hear the parties before disposing of an application for extension of time, and no appeal shall lie from any order of the Registrar under this section."

The Registrar has been empowered to extend time for doing certain acts provided he is satisfied that there is sufficient cause for extending the time. But there is an exception to this power. The exception being that it must not be a case where time is expressly provided in the Act. Rule 105 of the 2002 Rules, which is also sought to be pressed into service by the learned counsel for the respondent No.1, reads as under:-

> "**105. Extension of time.—(1)** An application for extension of time under section 131 (**not being a time expressly provided in the Act** or prescribed by rule 79 or by sub-rule (4) of rule 80 or **a time for the extension of which provision is made in the rules**) shall be made in Form TM-56.

> (2) Upon an application made under sub-rule (1) the Registrar, if satisfied that the circumstances are such as to justify the extension of the time applied for, may, **subject to the provisions of the rules where a maximum time limit is prescribed** and subject to such conditions as he may think fit to impose, extend the time and notify the parties accordingly and the extension may be granted though the time for doing the act or taking the proceeding for which it is applied for has already expired."
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> (emphasis supplied)

The said rule stipulates that an application for extension of time under Section 131 of the 1999 Act has to be made in Form TM-56. It may be remembered that this is the same Form TM-56 in which an application for extension of time is required to be made under Rule 50 (3). However, the extension of time permissible under Rule 105 is not applicable to the following cases:-

i) where time is expressly provided in the Act ; or

ii) where time is prescribed by Rule 79 or by sub-rule (4) of Rule 80; or

iii) where time for the extension of which provision is made in the rules.

Therefore, in cases where time is expressly provided for doing of an act under the 1999 Act or where provision for extension of time for doing

such act is made in the rules itself, then Rule 105 would have no applicability. The argument advanced by the learned counsel for the respondent No.1 that Rule 105 would apply, therefore, cannot be accepted. As already indicated above, the time prescribed for the filing of an evidence affidavit has to be construed as if the same had been stipulated by the 1999 Act itself. In any event, Rule 50 (1) specifically makes provision for the extension of time for filing the evidence affidavit. That being the case, Rule 105 cannot have any application. It is interesting to note that both Rule 50 and Rule 105 require that the application for extension of time be made in Form TM-56. If the view espoused by the learned counsel for the respondent No.1 is to be taken, then the provisions of Rule 50 would be rendered otiose. An exception has been carved out in Rule 105 with regard to provisions made in the Rules for extension of time. But, no exception has been made in Rule 50. Therefore, Rule 105 would have no application insofar as the filing of an evidence affidavit in support of an opposition beyond the prescribed time is concerned. It is only Rule 50 which would apply. In fact, sub-rule (2) of Rule 105 itself circumscribes the power of the Registrar to extend time by using the expression "*subject to the provisions of the rules where a maximum time limit is prescribed*". Rule

50 (1) prescribes a maximum time limit. Therefore, even under Rule 105, the Registrar cannot extend time beyond the prescribed maximum time limit.

11. Reference also needs to be made to the Full Bench decision of this court in the case of ***Hastimal Jain*** *(supra)* particularly because the learned counsel for the respondent No.1 has placed great reliance on the said decision. The questions before the Full Bench were as under:-

> "(a) Whether Rule 53 (2) of the Trade and Merchandise Marks Rules 1959 is directory or mandatory ?
>
> (b) Whether the Registrar's power to extend the time for filing evidence in support of the opposition stands extinguished if an application for extension of time is not filed or extension is not granted before the expiry of the period of two months pre- scribed under Rule 53 (1) of the Trade and Merchandise Marks Rules, 1959 ?
>
> (c) What is the effect of Rule 106 of the said Rules on the exercise of powers by the Registrar under Rule 52(2) ?"

12. These questions, as would be apparent from a plain reading thereof, related to the provisions of the 1958 Act and the 1959 Rules. In

the context of these questions, the Full Bench made the following observations:-

> "19. We have considered the rival submissions and read the various Judgments. The determination of the questions raised would depend on whether Rule 53 (2) can be said to be mandatory or merely directory. Mere use of the word "shall" is not sufficient to treat the Rule as mandatory. Even though the word "shall" prima facie indicates that it is mandatory, still the Court must ascertain the real intention of the Legislature by looking to the Statute as a whole. It must also be remembered that a legal fiction cannot be stretched beyond the purpose for which it was enacted. As seen above the legal fiction is not absolute. It is limited by the word "unless the Registrar otherwise directs". In our view it is significant that wherever the Legislature intended to prescribe a fixed time, which could not be extended, it has specifically so done. The necessary implication of this is that in all other cases the time was not to be fixed but one which would be within the power of the Registrar to extend, Undoubtedly the intention of the Legislature was to minimise delays. For that fixed time is laid down in the Statute itself. However a reading of Section 21 itself shows that for procedural matters like filing evidence the Legislature was not laying down a fixed time in the Statute. This view is supported by a reading of Section 101 and Rule 106. Section 101 indicates that the only circumstance under which time cannot be extended by the Registrar is where a time has been expressly provided in the Act. Similarly, under Rule 106 the time can be extended by the Registrar, in all cases, except for the four, which have been mentioned in paragraph 14 above. It is all the more significant that Rules 53 (2) and Rule 54 have not been included in Rule 106. To interpret it otherwise would be to add in Rule 106 the words "or Rule 53". The Legislature has purposely

> omitted to do so. It is not possi- ble to accept submission that Rule 53 gets incorporated in Section 21. If the Legislature wanted to provide a fixed term of two months in Section 21(4) as they have done in Section 21(1) and (2), they would have done so. This interpretation is also borne out by the fact that the deeming provi- sion, in Rule 53 (2), comes into play only if the Registrar does not other- wise directs. The fact that the legal fiction is subject to the direction of the Registrar also shows that it is not absolute but is being controlled by discretion of Registrar. In our view Section 101 and Rule 106 permit the Registrar to extend time, even though the time has expired. To hold other- wise would be to negate the words to that effect used both in Section 101 as well as Rule 106. We are thus in agreement with the view expressed by the Bombay High Court and the Gujarat High Court. We disagree with the view expressed in the case reported in 1978 (3) PLR 148 and in the Order dated 30th January 1995 in C.M. (M) 59/95."

13. From the above extract, it is apparent that the Full Bench was of the view that Rule 53 (2) of the 1959 Rules was not mandatory, but merely directory. The Full Bench observed that although the word "shall" was used in Rule 53 (2), that by itself would not indicate that the provision was mandatory. It came to this conclusion specifically because of the expression "unless the Registrar otherwise directs" used immediately after the word "shall". It is in this context that the Full Bench was of the view that the legal fiction created by the word "shall" was not absolute as it was limited by the words "unless the Registrar

otherwise directs". Consequently, the Full Bench was of the view that the provisions of Rule 53 (2) were not mandatory but directory.

14. The learned counsel for the respondent No.1 has urged before this court that Rule 50 (2) of the 2002 Rules must also be interpreted in similar fashion as being directory and not mandatory. This argument has to be rejected. The reason being that the provisions of Rule 53 of the 1959 Rules and Rule 50 of the 2002 Rules are materially different. First of all, in sub-rule (1) of Rule 50 of the 2002 Rules, the following words have been inserted:-

> "or within such further period not exceeding one month in the aggregate thereafter as the Registrar may on request allow."

These words are missing in Rule 53 (1) of the 1959 Rules and, therefore, the decision in ***Hastimal Jain*** *(supra)* would not apply to the facts of the present case. The second difference is that the expression "unless the Registrar otherwise directs" appearing in Rule 53 (2) of the 1959 Rules is missing from Rule 50 (2) of the 2002 Rules. For this reason also, the decision of the Full Bench in ***Hastimal Jain'***s case would not apply to the present case. The Full Bench had placed great reliance on the expression "unless the Registrar otherwise directs" to indicate that the

provision was directory and not mandatory and secondly that the Registrar had discretion in the matter. But these words are missing in the new *avatar* of this rule which is to be found in Rule 50 (2) of the 2002 Rules. The new Rule 50 (2) simply and plainly states that if an opponent takes no action under sub-rule (1) within the time prescribed therein, he shall be deemed to have abandoned his opposition. The Registrar has no role to play and no discretion in the matter. The entire basis of the Full Bench decision in ***Hastimal Jain'***s case is that the Registrar had been given discretion in the matter as indicated by the words "unless the Registrar otherwise directs". This discretion is missing in Rule 50 under the 2002 Rules.

15. In ***Ramachandra*** *(supra)*, the Supreme Court observed that in ***Taylor v. Taylor*****: 1875 (1) Ch D 426,** Jessel M.R. adopted the rule that where a power is given to do a certain thing in a certain way, the thing must be done in that way or not at all and that other methods of performance are necessarily forbidden. The Supreme court further observed that this rule had stood the test of time. In that very case [***Ramachandra*** *(supra)*], the Supreme Court placing reliance on ***Craies on Statute Law, 7th Edn***. observed that with regard to the question as to

whether a provision was mandatory or directory, no uniform rule could be laid down as to whether mandatory enactments should be considered directory only or obligatory with an implied nullification for disobedience. The Supreme Court further observed that it is the duty of Courts of justice to try to get at the real intention of the legislature by carefully attending to the whole scope. Such intention of the legislature is, therefore, to be ascertained upon a review of the language, subject-matter and importance of the provision in relation to the general object intended to be secured, the mischief, if any, to be prevented and the remedy to be promoted by the Act. Considering the provisions and making a comparative study of the old and the new Act as well as the old and the new rules, it is more than clear that specific words have been introduced in the new provisions and / or removed from the old provisions. Such additions and deletions are significant and bring out the true intention of the legislature. For instance, Rule 53 of the 1959 Rules did not prescribe any maximum period of extension of time. Whereas Rule 50 of the 2002 Rules specifically provides for extension of time not exceeding one month in the aggregate. This introduces a clear stipulation that the Registrar's powers to grant extension of time are limited to one month in the aggregate beyond the two months prescribed

under the said Rule. This limitation was not there in the earlier Rule, but it is definitely there in Rule 50 of the 2002 Rules. The second instance is that the words "unless the Registrar directs" have been consciously deleted from sub-rule (2) of Rule 53 in its new incarnation in Rule 50 (2). It is obvious that the legislature wanted to make the provision mandatory and did not want to give any discretion to the Registrar in this connection. The object is apparent that the delays be cut down in deciding the application for registration of a trade mark.

16. It is, therefore, quite clear that the answer to question No.1 is that the Registrar does not have the power to extend the time for filing of the evidence affidavit in support of an opposition beyond the maximum period of three months prescribed under rule 50 (1) of the Trade Marks Rules, 2002 and that the answer to question No.2 is that the non-filing of the evidence affidavit within the prescribed time would by itself lead to the conclusion that the opposition has been abandoned.

17. Lastly, I would like to observe that the Intellectual Property Appellate Board in arriving at the conclusion that it did was under the impression that the Registrar had discretion in the matter and was

exercising a discretionary power. This premise is not correct. The provisions of Rule 50 (2) are mandatory and the Registrar has no discretion. If the evidence affidavit has not been filed within the time prescribed, the opposition would have to be deemed to have been abandoned. The Registrar has also no discretion in extending the time beyond the maximum period of one month prescribed under Rule 50(1). Therefore, the impugned order passed by the Intellectual Property Appellate Board on 11.03.2005 is set aside and the order passed by the Assistant Registrar dated 20.02.2004 is upheld.

This writ petition is allowed. No order as to costs.

BADAR DURREZ AHMED
(JUDGE)

July 27, 2007
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